

LOK SABHA

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*Friday, July 26, 1996/Sravana 4, 1918 (Saka)
(The Lok Sabha met at Two Minutes past
Eleven of the Clock)*

[MR. DEPUTY SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[Translation]

Foreign Debt

+
*241. SHRI DADA BABURAO PARANJPE
SHRI RAJESH RANJAN ALIAS PAPPU YADAV:

Will the Minister of FINANCE be pleased to state :

(a) the loans received by the Government from various countries as on March 31, 1996, country-wise;

(b) the repayment of loans and payment of interest made as on March 31, 1996, country-wise;

(c) whether the loans received from some countries are lying unutilised;

(d) if so, the details thereof during each of the last three years, State-wise and project-wise;

(e) the amount as commitment charges paid by the Union Government thereon; and

(f) the action taken by the Government for the non-utilisation of loans by the concerned States?

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (f). A statement is laid on the Table of the House.

STATEMENT

(a) and (b). Information is given in the Annexure-I.

(c) Yes, Sir. The unutilised amount of loans does not represent the backlog. It only indicates the total amount that can be drawn over a period of time and is dependent on the time profile of various projects

(d) The details regarding loans committed but unutilised project-wise upto 1994-95 is given in the External Assistance Brochure 1994-95 published by Ministry of Finance. A copy of the Brochure is available in the Library of the House. Information regarding 1995-96 is given in the Annexure-II. Information regarding unutilised amount State-wise is given in Annexure-III.

(e) The amount of commitment charges paid on undisbursed loan was Rs. 69.70 crores, 59.63 crores and 58.94 crores during 1993-94, 1994-95 and 1995-96 respectively.

(f) The Government has taken several steps to ensure better utilisation of foreign aid, such as release of 100% as ACA to State Governments in all sectors, release of 25% of the annual expenditure as advance ACA to State Governments, disintermediation of aid flow to Central Public Sector Undertakings to overcome the delay in budgetary process, cancellation of restructuring of projects where necessary, intensified monitoring of projects and setting up of a Project Monitoring Unit in Ministry of Finance as well as appointment of nodal officers.

ANNEXURE-I

Total Receipt, Repayment and Payment of Interest upto 31st March, 1996

Sl. No	Name of the Country/ Institution	Currency	Receipt	Repayments	Donor Currency in Mill
					Interest
1	2	3	4	5	6
MULTILATERAL					
1	A.D.B.	US \$	1607 580	76 607	332 849
2	I.B.R.D.	US \$	11459 923	4705 866	6093 897
3	I.D.A.	US \$	8157 069	1368 460	1058 503
4	I.D.A.	SDR	7246.754	135.619	385 594
5	I.F.A.D.	SDR	163 769	18.567	14 398
6	O P E C	US \$	172 429	120.795	13 368
BILATERAL					
7	Abu Dhabi	UAE Dirhan	68.000	67.999	26.402

1	2	3	4	5	6
8.	Austria	Austrian Schilling	1672.826	1072.312	488.540
9.	Belgium	Belgium Franc	4958.446	2183.750	592.778
10.	Canada	Canadian Dollar	924.846	357.286	70.461
11.	Rep. of Czech & Slovak	Indian Rupees	1569.861	1183.935	252.447
12.	Denmark	Denish Kroner	1148.753	286.460	10.817
	Denmark	US \$	0.000	0.000	0.071
13.	EEC (SAC)	UK Pound	30.332	1.887	2.693
14.	Germany	Deutsche Mark	11242.881	5741.884	2973.322
15.	France	French Franc	10842.179	4920.486	4100.434
16.	IMF Trust Fund	SDR	529.009	529.009	9.331
17.	Iran	US \$	496.944	496.944	196.327
18.	Iran	SDR	438.539	438.539	66.131
19.	Italy	Deutsche Mark	144.200	0.000	14.700
20.	Italy	US \$	161.187	38.756	20.940
21.	Italy	Italian Lira	33125.000	33125.000	9675.779
22.	Poland	Indian Rupees	366.355	366.355	65.665
23.	Quatar	UK Pound	7.158	7.158	0.000
24.	Japan	Japanese Yen	1064723.064	295276.397	324425.334
25.	Kuwait Fund	Kuwaiti Dinar	78.981	45.303	28.934
26.	Netherlands	Dutch Guilder	2555.347	1023.833	767.371
28.	Saudi Fund	Saudi Riyal	581.830	465.688	20.077
30.	Sweden	Swedish Kroner	1093.642	0.000	55.695
31.	Sweden	S Franc	157.000	0.000	31.668
32.	Sweden	US \$	0.000	0.000	0.083
33.	Yugoslavia	Indian Rupees	267.008	267.008	40.300
34.	Switzerland	Swiss Franc	283.888	211.544	124.280
35.	UAE	US \$	70.000	70.000	20.734
36.	UK	UK Pound	744.086	708.987	166.073
37.	USA	US \$	5063.630	3115.189	1916.374
38.	USSR	Indian Rupees	28402.024	3903.704	967.781
39.	Australia	US \$	11.131	0.000	0.218
40.	Hungary	Indian Rupees	122.647	122.647	21.519
41.	Iraq	US \$	182.746	182.746	6.310
42.	ISO	US \$	5.708	0.000	0.000
43.	Bahrain	UK Pound	5.891	5.891	0.000
44.	Romania	Indian Rupees	53.260	53.260	0.000

ANNEXURE-II

Statement Showing Unutilised Amount Project-wise As on March 31, 1996

(In donor currency millions)

SL. NO.	NAME OF PROJECT	AMOUNT OF LOAN/CREDIT	UNUTILISED BALANCE
1	2	3	4
ASIAN DEVELOPMENT BANK			
1.	North Madras Thermal Power	180.00	91.02
2.	Railway Project	190.00	151.52
3.	Telecom Project	97.50	33.17
4.	Road Improvement Project	188.00	54.98
5.	Rayalseema Thermal Power Project	190.00	38.30
6.	2nd Ports Projects	122.69	38.43
7.	2nd North Madras Thermal Power	200.00	83.67
8.	2nd Roads Projects	250.00	105.46
9.	Hydrocarbon sector Programme	250.00	125.00
10.	2nd Railway Project	107.70	60.62
11.	Power Efficiency Project	250.00	217.86
12.	TA Under Coal Project	285.00	274.55
13.	Energy Conservation Improvement	39.30	39.30
14.	National Highway Project	245.00	244.94
15.	Capital Market Development Prog.	250.00	125.00
AUSTRALIA (Australian Dollar)			
1.	Exploration & Management of ground water - Tranch II	8.10	1.96
AUSTRIA (Austrian Schilling)			
1.	Austrian Capital Goods	120.00	8.06
BELGIUM (Belgium Franc)			
1.	XX Capital Goods Credit	250.00	207.09
2.	XIX General Purpose Loan	250.00	89.98
DENMARK (US Dollars)			
1.	IREDA Project	15.00	15.00
FRANCE (Deutsche Mark)			
1.	Rastriya Ispat Nigam	8.69	0.32
FRANCE (French Franc)			
1.	General Credit (Proj. 510M)	440.00	48.31
2.	1130 M Credit Project	1054.35	144.97
3.	Testing of Equipment for CPRI	75.35	12.56

1	2	3	4
4.	East Katras Proj. Achievement	3.72	1.83
5.	Draft Credit Agreement	125.15	-10.86
6.	Study for Coal Friquetting Equipment	560.00	479.79
7.	Water Management for DWSSDU	207.90	207.90
8.	Wave Mgt. Proj. at Jaipur & TA for Kottadih Coal Mine	43.00	43.00
9.	Mixed Projects	371.35	371.35
GERMANY (Deutsche Mark)			
1.	NLC(II)	517.00	10.04
2.	Ramagundam NTPC	129.54	3.89
3.	NLC(III)	532.00	25.50
4.	M.P. Rural Water Supply	45.00	42.91
5.	H.D. Breakdown Cranes of Rlys.	30.07	0.98
6.	Farakka Thermal Power Station	50.58	23.43
7.	Rajasthan Minor Irrigation Project I	12.30	1.43
8.	Ramagundam Open Cast Mines II	172.39	34.16
9.	Rail Coach Factory Kapurthala	8.55	0.88
10.	Dadri Power Project (NTPC)	484.90	82.06
11.	Uran Combined Cycle Power Station	310.00	12.33
12.	Railway Investment Programme	77.70	56.43
13.	Lift Irrigation Orissa	55.00	46.26
14.	Rajasthan Rural Water Supply Phase I	40.00	32.50
15.	Fertilizer Sector Programme IV	70.00	7.70
16.	Maharashtra State Electricity Board	29.74	29.74
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (US Dollar)			
1.	Raj. Command Area	55.00	6.78
2.	Sunderban Development Project	17.50	1.83
3.	II U.P. Tubewells	35.30	0.75
4.	Orissa Tribal Development	12.20	4.97
5.	T.N. Women's Development Project	13.15	5.04
6.	A.P. Tribal Development	21.61	13.01

1	2	3	4	1	2	3	4
7.	Maharashtra Rural Credit	29.44	27.10	30.	Yamuna Action Plan Proj	17773.00	17761.50
8.	A.P. Participatory Tribal Development	26.71	24.91	31.	Srisaillam Power Trans. System	3806.00	3804.00
9.	Mewat Area Development	15.08	13.88	32.	Ghandhar Gase Base Combine Cycle	19538.00	7523.60
JAPAN (Japanese Yen)				33.	Udyog Mandal Ammonia Plant Proj.	24482.00	20842.10
1.	Eastern Gandak Canal Hydro Proj.	1630.00	11.30	34.	Anpara B Thermal Power Proj.	17638.00	14330.30
2.	Ujjani Hydron Electric Proj.	1500.00	187.90	35.	Bakreshwar Thermal Power Project	27069.00	26862.90
3.	Teesta Canal	8025.00	1439.70	36.	Faridabad Thermal Power Project	23536.00	23536.00
4.	Assam Gas Turbine	30000.00	1939.10	37.	Bridge Across River Yamuna Naini	10037.00	10036.90
5.	Srisaillam Left Bank Power Stn.	26101.00	7485.30	38.	Four Laning of National Highway V	11360.00	11360.00
6.	Assam Gas Power Stn.	13552.00	1247.10	39.	Srisaillam Left Bank Power Proj.	22567.00	14708.10
7.	T.N. Small Scale Industrial Deve.	3198.00	3153.20	40.	Srisaillam Power Trnm. Project II	9546.00	9546.00
8.	Raichur Thermal Power Station	23142.00	4013.80	41.	Assam Gas Turbine Power Proj. II	15821.00	13350.50
9.	Ghatghar Pump Storage Project	11414.00	11378.00	42.	Bakreshwar Thermal Power Unit 3	8659.00	8613.40
10.	Tourism Infra. Deve.	9244.00	5838.10	43.	Purulia Pumped Storage Project	20520.00	20479.70
11.	Upper Kolab Irrigation Project	3769.00	1590.40	44.	Kathagudam A Thermal Rehab. Proj.	5092.00	4769.80
12.	Upper Indrawati Irri. Proj.	3744.00	1791.70	45.	National Highway 5 Imp. Proj. II	5836.00	5835.00
13.	Ramagundam Fertilizer	11132.00	11132.00	46.	National Highway 24 Imp.	4827.00	4827.00
14.	Mysore Paper Mills Modernisation	2381.00	2315.10	47.	Madras Sew. Reno. & Func Imp Proj	17098.00	17098.00
15.	Basin Bridge Gas Turbine II	11450.00	1888.90	48.	Lake Bhopal Conser. & Mgt. Proj.	7055.00	6997.00
16.	Gandhar Gas Based Combined Cycle	13046.00	689.60	49.	Rajasthan Forestry Deve Project	4219.00	4033.00
17.	Kolaghat Thermal Power Stn	171.00	5.70	50.	Industrial Pollution Control Hydrocarban Sector	1525.00	1524.60
18.	Teesta Canal	6222.00	3747.50	51.		33000.00	-85.00
19.	Indira Gandhi Afforestation	7869.00	6137.50	KUWAIT (Kuwaiti Dinar)			
20.	Quality Control Health	7954.00	7767.50	1.	Kalinadi Hydro Elect Proj. Stg II	7.00	2.98
21.	Power System Improvement	24379.00	23845.40	2.	Kerala Fish Prawn Cul Dev Proj.	7.00	6.88
22.	Anpar Power Transmi-ssion Sys	19318.00	14711.70	O.P.E.C. (US Dollars)			
23.	Karnataka State Comp. Land Mgmt	16050.00	16050.00	1.	Ramagundam Project	30.00	0.93
24.	Gandhar Gas Based Power	42599.00	1873.60				
25.	Urban City Water Supply	6788.00	5009.20				
26.	Afforestation Project Aravali	8095.00	4424.90				
27.	National Highway No. II	4855.00	4724.00				
28.	Ajanta Ellora Conservation	3745.00	3206.30				
29.	Anpara B Thermal Power	13224.00	94.70				

1	2	3	4
2.	Rewa Hospital Proj. M.P.	10.00	9.89
3.	Basti Dist. Hospital	6.50	4.89
4.	Raichur District Hospital	9.00	9.00
5.	Kerala Rainfed Farming Dev. Proj.	10.00	10.00
SAUDI FUND (Saudi Riyal)			
1.	Koraput Railway Project	103.20	41.37
2.	Ramagundam Ther. Power Proj. II	172.00	109.96
3.	Jawaharlal Nehru Port Trust Proj.	141.00	32.33
SWEDEN (Swedish Kroner)			
1.	URI Project	765.00	8.00
2.	Chandrapur Podgehe. Maharashtra	535.00	206.35
SWITZERLAND (Swiss Franc)			
1.	Swiss Mixed Credit	60.00	-1.29
2.	Swiss Mixed Credit I	60.00	24.94
INTERNATIONAL DEVELOPMENT ASSOCIATION (US Dollars)			
1.	2nd National Agriculture Research	77.174	5.503
2.	National Agril. Extn. III Project	77.528	-0.116
3.	3rd National Seeds	155.851	19.656
4.	Integrated Water Shed Dev. Plains	65.189	38.744
5.	Integrated Water Shed Dev. (Hills)	86.237	46.778
6.	Tamilnadu Agri. Dev. Project	96.914	40.408
7.	Shrimp & Fish Culture Proj.	98.475	89.341
8.	Maharashtra Forestry Proj.	138.307	105.938
9.	West Bengal Forestry	37.084	14.799
10.	U.P. Sodic Land Recl. Project	61.851	51.384
11.	Bihar Plateau Development Project	126.159	109.735
12.	A.D.P. Rajasthan Agri. Dev. Project	113.415	72.900
13.	A.P. Forestry Project	87.282	79.258
14.	Forest Research Edu. Extn. Project	52.323	43.933
15.	Rubber Project	103.905	92.369
16.	Agriculture & Human Resources	59.500	56.272
17.	Assam Rural Infrastructure	126.000	124.000

1	2	3	4
18.	Madhya Pradesh Forestry	58.000	54.915
19.	Jharia Mine Fire Control Project	13.487	9.925
20.	Renewable Resources Project	128.272	122.790
21.	National Agriculture Project	148.875	44.840
22.	Industrial Tech. Dev. Project	66.697	40.110
23.	Industrial Pollution Control Project	36.617	31.364
24.	Industrial Pollution Prevention	27.887	26.882
25.	Gujarat Rural Roads Project	116.704	17.720
26.	Second National Highway Project	181.636	125.371
27.	Upper Ganga Irrigation Project	125.358	0.000
28.	Maharashtra Irrigation Project	169.083	-7.518
29.	National Water Management Project	130.536	0.019
30.	Upper Krishna Ph. II Irrigation	169.208	18.396
31.	Punjab Irrigation Project	171.429	77.554
32.	Dam Safety Project	148.884	125.064
33.	Water Resources Consolidation	294.289	262.026
34.	T.N. Water Resources Consol. Project	282.900	270.462
35.	Hydrology in India	142.000	137.992
36.	Orissa Water Resources Consol.	290.900	276.693
37.	5th(Bombay & Madras) Population	57.099	15.102
38.	Vocational Training Project	182.409	88.379
39.	Sixth Population Project	83.025	30.859
40.	2nd Tamil Nadu Nutrition Project	77.657	24.084
41.	Tech. Education Project	239.490	115.187
42.	Integrated Child Dev. Services	85.811	38.370
43.	7th Population Project	73.054	22.637
44.	Tech. Education II Project	27.334	193.487
45.	I.C.D.S. -II Project	221.813	205.338
46.	Child Survival & Safe Motherhood	240.374	35.880
47.	National Aids Control Project	91.230	60.441
48.	National Leprosy Elimination	94.106	71.449
49.	U.P. Primary Education Project	181.942	128.106
50.	Cataract Blindness Control Prj.	134.212	123.180
51.	Distt. Primary Education Prj.	283.490	262.597
52.	Family Welfare (Urban Slums)	79.000	74.008

1	2	3	4
53. Family Welfare Project		98.606	93.409
54. A.P. Referral Health System		142.937	140.951
55. T.N. Water Supply Project		78.747	29.958
56. T.N. Water Supply Control Prj		36.500	-11.567
57. Gujarat Urban Dev. Project		66.125	1.481
58. U.P. Urban Development Project		142.190	33.419
59. 3rd Bombay Water Supply Project		130.682	23.281
60. T.N. Urban Development Project		264.889	73.734
61. Hyderabad Water Supply & Sani.		95.293	46.560
62. Mah. Rural Water Supply Project		117.276	79.374
63. Karnataka Rural Water supply & Sanitation Project		103.794	93.054
64. Maharashtra Emergency Earthquake Reconstruction Project		276.822	198.674
65. Bombay Sewage Disposals Project		25.000	20.000
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT			
1. II National Dairy Project		200.000	110.371
2. Tamil Nadu Agricultural Dev.		20.000	20.000
3. Coal Mining & Quality Project		322.776	16.221
4. Kerala Power Project		126.000	26.425
5. National Capital Power Supply		373.000	50.357
6. Talchar Thermal Power Project		367.000	128.812
7. Nathpa Jhakri Power Project		485.000	293.854
8. Maharashtra Power Project		354.000	183.155
9. Northern Region Transmission Project		485.000	363.455
10. Power Utilities Efficiency Prj.		265.000	184.301
11. Second Maharashtra Power Project		350.000	270.444
12. Industrial Fin. & Tech Assistance Project		289.372	0.000
13. Export Development Project		120.000	7.428
14. Electronic Development Project		8.000	3.676
15. Industrial Tech. Development		135.000	38.592
16. Cement Industry Restructuring Project		293.180	45.707
17. II Petrochemicals Project		12.000	8.798
18. Industrial Pollution Control Project		124.000	45.588

1	2	3	4
19. Financial Sector Project		350.000	200.000
20. Railway Modernisation Project		252.500	3.563
21. States Road Project		115.000	31.673
22. Second National Highway		153.000	153.000
23. Dam Safety Project		23.000	23.000
24. Madras Safety Supply & Sanitation		53.000	17.296
25. 3rd Bombay Water Sewage Disposals		20.000	20.000
26. IInd Madras Water Supply Project		275.000	269.806
27. Bombay Sewage Disposals Project		167.000	167.000

ANNEXURE-III

Statement Showing State-Wise Unutilised Loans as at the end of 31.3.1994, 31.3.1995 and 31.3.1996 (Amount in Rs. in crores)

STATE/	31.3.94	31.3.95	31.3.96
1. Central	36850.64	22390.78	22011.43
2. Andhra Pradesh	1386.18	1338.43	2466.21
3. Bihar	359.70	324.35	379.34
4. Gujarat	-157.99	-44.39	65.42
5. Haryana	-35.56	781.71	943.92
6. Karnataka	2073.23	1831.60	1161.01
7. Kerala	334.11	230.33	201.13
8. Madhya Pradesh	113.63	129.29	544.64
9. Maharashtra	3564.13	3920.12	5102.09
10. Orissa	238.95	199.51	1181.37
11. Punjab	310.31	239.02	264.23
12. Rajasthan	758.22	826.70	824.05
13. Tamil Nadu	2832.30	1262.95	2699.65
14. Uttar Pradesh	2635.97	2669.83	2001.38
15. West Bengal	1048.61	1190.58	2065.34
16. Multistate	4811.11	4839.31	5243.87
TOTAL	57123.52	42130.12	47155.07

[Translation]

SHRI DADA BABURAO PARANJPE Hon. Deputy Speaker. Sir, The Central Government had written to various State Governments to take steps in this regard. Have those steps been taken by State Governments and have the results thereof been to the expectations of the Central Government?

[English]

SHRI P. CHIDAMBARAM Sir, we have taken a number of steps to enhance the utilisation of Central assistance. There are a number of problems. The

principal reason is inadequate provision. If the States do not make adequate provisions in their budgets for that part of the cost of the project for which they have to make a provision, then external assistance cannot be utilised for the Project to that extent.

There are also procurement and contracting delays. There are start up and other procedural delays. I am not happy with the utilisation of external assistance, and the States must provide in their budgets if we have to improve the utilisation of Central assistance.

[Translation]

SHRI DADA BABURAO PARANJPE : Mr. Deputy Speaker, Sir, Hon. Minister has himself stated that this is not satisfactory. I would, therefore, like to know whether the Central Government contemplates to make special efforts in this regard?

[English]

SHRI P. CHIDAMBARAM : Sir, we are making special efforts and I will list some measures that we have taken. For example, 100 per cent of the external assistance is now given by way of ACA (Additional Central Assistance). Of this we give 25 per cent as advance ACA even before they make a provision and start spending. We have also tried to rationalise the portfolio and some projects where utilisation is extremely low have even been dropped. We have tried to standardise the bidding documents. We have withdrawn intermediation in respect of external assistance to public sector undertakings and we now have a project monitoring unit in the Ministry of Finance.

Despite all this, the disbursement ratio is still unsatisfactory. It should be at least 20 per cent. In 1994-95 it was about 18.7 per cent, which was a substantial improvement over the previous year. In 1995-96 it came down to 15.3 per cent. I am looking into other measures that we can take in order to improve the disbursement ratio.

[Translation]

SHRI RAMESHWAR PATIDAR : Mr. Deputy Speaker, Sir, This unutilized loan has been registering an increase during the last some years. It was sixty-one thousand crore in 1992, it was 65 thousand crore in 1993 and on the 31st March, 1994 it increased to 83 thousand crore rupees and therefore, the Government and the Ministry of Finance set up a high power committee to go into it. Shri R.V.R.K. Rao was appointed as Chairman of this Committee. The recommendation made by this committee for the use of this utilized loan were not implemented and thus those recommendations did not have any fruitful effect on these unutilized loans. This is why those loans increased to that extent. The Government have to pay interest on these loans and on the other hand the money remains unutilized. I would, therefore, like to know from the Hon'ble Minister whether Government would constitute a Parliamentary

Committee to find out as to why this loan remained unutilized so far and also to ensure that this is utilized fully?

Mr. Deputy Speaker, Sir, the second part of my question is that the amount of foreign loan is also increasing and it has gone to the tune of lakhs of crores of rupees and today we are facing situation that we have to borrow new loans to clear the old ones. I would like to know whether Government propose to bring a Bill before the House under Article 292 of the Constitution to fix a statutory ceiling and make a provision that Government will not go for foreign loans in this respect.

[English]

SHRI P. CHIDAMBARAM : Sir, the second part of the question is really a policy matter on which I cannot give a response by way of answer to a question. That is a policy issue.

Regarding the first part of the question, I do not know how the Hon. Member has arrived at a much larger figure than what I have. As on 31.3.94, the unutilized loan was Rs. 57,000 crore. I am omitting the odd figure. As on 31.3.95, because of the portfolio review, it came down to Rs. 42,000 crore, and as on 31.3.96, it was 47,155 crore.

We have to have a disbursement ratio ideally of about 20 per cent of the unutilized loan. We must work towards the disbursement ratio of 20 per cent. We are now at about 15 or 16 per cent. That is why I said that I am not happy with the disbursement. We give 100 per cent of the loan to the States according to the normal formula, except to special category States. But then the project cost is never fully covered by the external loan. The project cost has to be recovered by the States' own resources as well as the external loan.

If the State does not provide for that project in the Budget which ought to be implemented, say, in five years, it will be implemented in ten years. So, to that extent, on lending that we do to the States will get staggered over a period of ten years and the bulk of the funds will remain as unutilized loan.

Unless the States provide funds in their budgets, unless they spend it according to their time-table and unless they improve their monitoring systems, the unutilized part of loan will remain so. All I can do is to urge the States to improve their spending on plan projects. Well, I can say that the same thing applies to the Central Government Departments also. The Central Government departments also must budget for their expenditure and must spend. Otherwise, the loan that we receive from external resources will remain unutilized. I do not think that there is a need to appoint another Committee. The problems are known. The solutions are known. What is lacking is a will to implement the solutions by the States. While I would be very happy to consult the Hon. Members, I do not think that there is a need for another Parliamentary Committee.

SHRI SUDHIR GIRI : Mr. Deputy Speaker, Sir, I want to know from the Hon. Minister whether the rate of interest on the foreign borrowings paid by the States is higher than the rate of interest fixed at which we borrow the loan from the foreign countries. I want to know whether the rate of interest charged by the Union Government from the State is higher than the rate of interest at which we borrow money from the foreign countries. If so, what are the reasons?

SHRI P. CHIDAMBARAM : Sir, it is higher. The reason is obvious. The reason is that the exchange risk is borne by the Central Government.

[Translation]

SHRI BANWARI LAL PUROHIT : Mr. Deputy Speaker, Sir, it is given in the Statement that a loan of Rs. 11,132 crore has been borrowed for Ramagundam Fertilizer Plan which is lying unutilized. Also a loan of Rs. 24,379 crore has been taken for power system improvement out of which an amount of Rs. 23,845 crore is lying unutilized. We have borrowed the loan in general terms. I would like to know from the Hon. Minister as to where the loan amount that we have received has been kept. We have to pay interest on that. I would like to know the place where this unutilized amount is lying and whether we are earning interest thereon or whether that money is lying spare? What is the position of that money?

[English]

SHRI P. CHIDAMBARAM : Sir, firstly, if the Hon. Member is referring to the Ramagundam Fertiliser Plant, that is not in crores and that is in Yen... (Interruptions)

SHRI BANWARI LAL PUROHIT : Like that... (Interruptions)

SHRI P. CHIDAMBARAM : I just want to correct that figure. Otherwise, an impression will be given that it is Rs. 11,132 crore. It is Yen ... (Interruptions)

SHRI BANWARI LAL PUROHIT : Whatever it is, where is it lying? ... (Interruptions)

SHRI P. CHIDAMBARAM : We do not pay interest except to the extent that we actually draw the amount. We pay, what are known as, commitment charges. I have given in my answer that the commitment charges are not a very large amount. If you will kindly see the answer to part (e) of the question, which says, "The amount of commitment charges paid in undisbursed loan in the last three years was Rs. 69 crore, Rs. 59 crore and Rs. 58 crore respectively." Therefore, the undisbursed part of the loan lies with the donor. We do not draw it until the expenditure takes place. Therefore, we only pay a small commitment charge.

SHRI G.G. SWELL (Shillong): Sir, obviously this is a difficult question. The Hon. Minister has supplied us a mass of figures and information. It is difficult for us to digest within the short time that we have here. He has also referred to the external assistance brochure,

which is available in the Library. Now, this needs a lot of study.

Now, in regard to the interest which is given in his statement, obviously the interest has been paid in different currencies. But some of them look formidable. For example, in respect of Japan, we are paying an interest of Rs. 3,24,425,334. It would help us to understand if all these interests which we are paying in different currencies, are reduced to dollars and the total amount of interest we have to pay would be better if we do the total calculation which has not been given.

Now having said that, he has blamed the various States for not utilising the loan which is given. May I know which are the States which are morally derelict in this matter and what steps have been taken against those States? That would help us to understand the position better.

SHRI P. CHIDAMBARAM : Sir, it will be difficult, but it would not be impossible. It requires quite a lot of work to reduce the interest payments to dollars because as the Hon. Members will appreciate, these interest payments are over a period of time and the exchange rate varies from year to year and sometimes, even month to month. Therefore, if it is necessary to do that exercise, I will do it. But what is important is that we pay interest only when the amount is actually withdrawn. We do not pay interest when it remains unutilised and remains in the hands of the donor. We only pay a small commitment charge and I have given the figure. It is about Rs. 60 crore a year on the entire unutilized external assistance.

As far as the question about the States is concerned, I did not blame the States. I understand and recognise their difficulties. I also said that the Central Government Departments are also equally lax in utilising the external assistance. So, it is not my intention to blame the States or to exonerate the Central Government Departments. There are difficulties but we must overcome these difficulties.

As regards the States which have large unutilized loan, without again trying to blame anyone, I would like to say that Andhra Pradesh has Rs. 2,466 crore. This is as on 31-3-1996. Maharashtra is the highest with Rs. 5,182 crore. Tamil Nadu is with Rs. 2,699 crore. Uttar Pradesh is with Rs. 2,001 crore. West Bengal with Rs. 2,065 crore. Andhra Pradesh is with Rs. 2,466 crore, and others are having about a thousand crore and below.

Now this is not a measure of inefficiency or whatever it is. This is also a measure of the fact that they have been able to pose many projects successfully and get external assistance commitments. The fact remains that the States must do better. Equally, the Central Government Departments must do better in utilising the external assistance.

SHRI V. DHANANJAYA KUMAR : Mr. Deputy Speaker, Sir, the alarming increasing foreign debt is the biggest worry of the country today. Very often, explanations are

being given that it is a regular feature of a developing economy.

Sir, this year a provision is made in the Budget by the Minister of Finance for payment of as much as Rs. 60,000 crore as debt servicing and it covers interests on the borrowings. I would like to know from the hon. Minister, whether this amount of foreign debt coupled with the non-utilisation of the money which is borrowed has accelerated further borrowing.

And Part (b) of my question is, that the Minister has tried to give explanations as to why this non-utilisation situation has occurred. I would like to know that corrective measures are being taken by the Government to see that this situation is eased out and the debt burden as well as the interest burden is reduced.

SHRI NIRMAL KANTI CHATTERJEE : Rs 60,000 crore interest is paid.

SHRI V. DHANANJAYA KUMAR : A provision is made in the Budget for Rs. 60,000 crore. It is interest only. That is what I mentioned. Is it on account of this non-utilisation?

SHRI P. CHIDAMBARAM : About the second part of the question, I have already answered it while replying to the second supplementary of the hon. Member who has put the question.

The measures that we are taking to ensure greater utilisation of external assistance are - on the first part, Rs. 60,000 crore is the interest on internal debt and external debt. If our internal and external debts are high, surely the interest rates will be high. We do borrow; we borrow both in the domestic market as well as externally. We borrow in the domestic market because the fiscal deficit is high. That is one of the reasons why I have committed myself to bringing down the fiscal deficit to below four per cent. We borrow in the external market because we need foreign exchange to meet project cost. We also need foreign exchange to meet the gap between domestic resources and the capital outlays that are required.

As I explained a little while ago, we do not pay interest on the undisbursed part of the external assistance. We pay interest only when we actually draw the money. It remains in the hands of the donor. We pay what we call 'commitment charges'. If we improve the rate of utilisation then we will be paying more interest because we would have drawn the money. But equally we would have got the benefit because the money would be invested in Plan projects and that will start yielding returns.

SHRI V. DHANANJAYA KUMAR : The problem is of non-utilisation.

SHRI P. CHIDAMBARAM : Sir, I had already answered it. I do not know whether the hon. Member was here when I answered the question. I answered the second supplementary; I gave the reasons for non-utilisation... (Interruptions). I had already given it.

SHRI PRITHVIRAJ D. CHAVAN : Sir, the unutilised amount of loans by the end of 31st March, 1996 is more than Rs. 47,000 crore. It was also indicated that the main reason for the loans not being utilised is the problem of lack of matching funds from the State Governments. Is it not a fact that many of these schemes and loans are earmarked for Central Public Sector Undertakings? He himself has replied to it.

Will the Hon. Minister give the percentage of outstanding loans under the direct responsibility of the Central Government Departments and Central Public Undertakings? Could he give a Department-wise and P.S.U.-wise breakup? He can supply this information later on.

SHRI P. CHIDAMBARAM : Sir, I think, I did give this figure, but I will give it again. Of this Rs. 47,155 crore of unutilised amount, as on 31.3.1996, the Central Government accounts for Rs. 22,011 crore. I cannot give breakup according to the Departments or P.S.U.s now. But the Central Government is responsible for Rs. 22,011 crore. That is why in my first answer as well as in the answer to supplementaries, as I said, is that not only the State Governments but the Central Government is also not utilising the loans properly. So, I said, that the Central Government Departments and Ministries must also provide money in the Budget for these projects and must increase the rate of utilisation.

[Translation]

MR. DEPUTY SPEAKER : Before I go to the next question, I would like to congratulate you all. As the House commenced yesterday, its sitting went on right upto 7.20 A.M. today. I congratulate all of you for this. All the Members got an opportunity to speak and an historic record has been created. It is very good indeed, and the credit for this goes to you all.

VAIDYA DAU DAYAL JOSHI : A record has been created for the House sitting that long. Therefore, congratulations to all the Members of the House and to the entire staff of the Secretariat. Olympic season is going on and this House has also made a record. The House sat for such a long time. Therefore, all the Members of the House should be congratulated by you profusely and I also congratulate them on my behalf.

[English]

Lok Adalat

*243. SHRI S.D.N.R. WADIYAR : Will the Minister of LAW AND JUSTICE be pleased to state

(a) the number of Lok Adalats organised in Karnataka during the last three years.

(b) the extent to which these Adalats are able to help the people.

(c) the number of cases/disputes settled in those Lok Adalats during the above period.